GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:3497
ANSWERED ON:22.12.2004
CRISIS IN TRADITIONAL INDUSTRIES
Karunakaran Shri P.

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): whether the crisis prevailing in the traditional industries has come to the notice of the Government in Kerala;

(b): if so, the details thereof;

(c): whether majority of the workers are women and are getting low wages;

(d): if so, the facts thereof; and

(e): the decision taken by the Government to strengthen the traditional sectors like cashew, coir, handloom, khadi, beedi and fisheries?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)to(d): Some of the traditional industries in the country, including those in Kerala, face problems like obsolete technology, low productivity, credit availability, quality of products, marketing, competition from substitute products, etc. In the traditional industry of coir, a majority of the workers are women and the earnings of some of the workers has been noticed to be sub-optimal because of low levels of productivity.

(e): The Government has been implementing the Rural Employment Generation Programme (REGP) in rural areas throughout the country, including Kerala. The REGP is implemented through the Khadi and Village Industries Commission (KVIC). Under this programme, an entrepreneur can establish a village industry by availing of margin money assistance from the KVIC and loan from any public sector scheduled commercial bank, selected regional rural bank and cooperative bank, etc., for projects with a maximum cost of Rs. 25 lakh. The pattern of margin money assistance is given in the table below and is more favourable to women:`

Margin Money Assistance under REGP

Sl.No.	Category of Beneficiary	Project Cost	Margin money Assistance
1	General	Upto Rs. 10 lakh	25% of project cost
		Rs. 10 lakh and Upto Rs. 25 lakh	Rs. 2.5 lakh + 10% of balance project cost
2	SC/ST/Women/Ex-Serviceman/NE Region/Hill Areas	Upto Rs. 10 lakh	30% of project cost
		Rs. 10 lakh and Upto Rs. 25 lakh	Rs. 3 lakh + 10% of balance project cost

Note: SC/ST = Scheduled Caste/Scheduled Tribe;
NE = North Eastern

Further, for Regeneration of Traditional Industries such as coir, handloom, sericulture, handicrafts, leather, pottery and other cottage industries, establishment of a Fund with an initial allocation of Rs. 100 crore has been announced in the Budget Speech for 2004-05.